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NEWS RELEASE

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Former Attorney Sentenced in Dairy Investment Scheme

Dairy owners were defrauded when they traded their farm for stock in company ...

FILLMORE, Utah – Former lawyer, A. Paul Schwenke, got released from prison to attend his trial in April on a new charge of securities fraud. Today, he found out how much longer he will have to remain in prison. District Judge Donald J. Eyre sentenced Schwenke to 1 - 15 *additional* years in prison. The new prison time is in addition to time Schwenke is currently serving on another conviction. Judge Eyre indicated that he ordered the additional prison time because Schwenke showed no remorse and has a history of fraud.

Schwenke was convicted by a Fillmore jury of securities fraud on April 4, 2007. He had convinced the owners of a Delta, Utah dairy farm to sign over their property and equipment in exchange for stock in a company Schwenke had formed. He also promised to refinance debts owed by the dairy and to purchase cows for the dairy. He said he had millions available to refinance the farm's operations, but in reality, he did not have adequate financial backing and borrowed \$50,000 using the farm's assets. Schwenke used the money for personal expenses and the dairy was forced to close. The owners lost their ownership of the dairy.

The judge acknowledged that the victims have lost \$510,000. He ordered Schwenke to be primarily responsible for repayment of the \$50,000 Schwenke received when he borrowed against the farm and the \$70,000 the owners spent taking care of cows that Schwenke ordered and that later were repossessed.

The case was prosecuted by the Utah Attorney General's office. Another officer of American Dairy was also charged with securities fraud. He was convicted on March 7, 2007. He will be sentenced in June.